Overcharging by Drug Manufacturers

†2074. SHRI TARIQ ANWAR: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that the sale of patented medicines will take some time but the drug manufacturing companies have started charging the rates arbitrarily from now itself;

(b) if so, the reasons therefor; and

(c) whether any action has been taken by Government against such companies?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI RAM VILAS PASWAN): (a) to (c) The 74 bulk drugs specified in the first Schedule of the Drugs (Prices Control) Order, 1995 (DPCO, 95) and the formulations based thereon are under price control and their prices are fixed/revised by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the DPCO, 95 These drugs have been identified for inclusion under price control in the DPCO, 95 on the basis of criteria mentioned in the 'Modification in Drug Policy, 1986' announced in September, 1994. These criteria take into account the extent of usage and the market competition of various drugs.

Prices of non-Scheduled formulations are fixed by the manufacturers themselves keeping in view the various factors like cost of production, marketing/selling expenses, R&D expenses, trade commission, market competition, product innovation, product quality etc. The Government takes corrective measures where the public interest is found to be adversely affected.

The new patent regime has come into effect from the 1st January, 2005. The NPPA has not received any report of abnormal increase in the prices of drugs after 1st January, 2005.

Impact of product patenting Pharma Industry

2075. SHRI G. K. VASAN: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether a study of the impact of product patenting on Indian pharma industry has been made; and

---

†Original notice of the question was received in Hindi.